



FALL 2008

CORNERSTONE

Notes

A new wing for a growing church

Charlotte congregation again turns to Cornerstone for financing

Holy Covenant UCC began its ministry in Charlotte, NC in 1916 as First Reformed Church of Charlotte. Over the years, the congregation has reflected the changes both in the denomination and in the city it serves. Originally a central-city congregation, Holy Covenant moved east with the suburbs in the mid-1950s, then further northeast another 40 years later as the city expanded. The wooded acreage that was virtually in the country when purchased in 1992 now sits in the middle of one of the region's most booming areas.

When Holy Covenant built its third building in the mid-1990s, the church turned to the Cornerstone Fund for financing. So when time came to add a new wing for a choir rehearsal room and additional Christian Education and meeting space, the congregation again called on the Fund.

"We were pleased with the terms the Cornerstone Fund offered us, and the fact that they charged *no* points or loan fees," said The Rev. Nancy Ellett Allison, pastor of the 220-member church. "Living in a banking city like Charlotte, we were able

to consider a number of options — but the Cornerstone Fund clearly made the most sense for us." With a successful capital campaign that raised \$500,000, Holy Covenant rolled the remaining balance of its existing Cornerstone Fund loan into the new loan and began construction in early August. And because the church chose a fixed-rate loan, the congregation and its members are moving investments to the Cornerstone Fund to take advan-

tage of the interest rate rebate program. Cornerstone Fund President Gordon Gilles encourages churches to always contact the Cornerstone Fund when considering financing. "Churches can often get a better offer from a local bank when they begin negotiations with our commitment already in hand," he explains. "We're pleased to provide that ministry. We've done our job when a church gets the best financing possible."



The Rev. Dr. Nancy Ellett Allison, pastor of Holy Covenant UCC in Charlotte, helps church members break ground for their building's new wing on July 20, 2008.

Talking money & going green



Gordon Gilles

President

The economy is on everyone's mind these days. We're all concerned about the funds that we've entrusted to banks, that we've invested in the market, and that we've borrowed — both personally and as

part of a congregation. At the Cornerstone Fund, we keep close tabs on the markets on behalf of both our investors and our borrowers. And we're proud of the track record we've built over the last 12 years, with over \$52 million invested and over \$49 million loaned out with not a single foreclosure.

As you know, Cornerstone Fund investments pay competitive rates of interest — and our rates often rank a little above the national average. While banks in some markets have recently raised their rates significantly to increase their cash on hand, we must take a more measured approach that serves all of our clients — our investors whose funds make our loans possible and our borrowers who seek affordable financing for

church building projects to expand and strengthen their ministries.

We appreciate the trust you have placed in the Cornerstone Fund, and encourage you to consider an additional investment. Around the country, UCC churches continue to grow and welcome new members, and we want to always be ready to help them build for the future.

Blessings,

BUILDING STRONGER CHURCHES

Seminars build church management skills

Over the years, the Cornerstone staff has met pastors, committees and church members who have lots of questions about building, about financing, about protecting their churches from trouble. So we've developed a series of seminars to help equip both clergy and laity as they seek to serve their churches more effectively.

Making Friends of Church Numbers

The Cornerstone Fund's flagship full-day seminar, *Making Friends of Church Numbers* walks participants through a range of church finance and management issues. The seminar begins with a review of church budgets and financial statements to help non-financial people become more familiar *and more comfortable* with the story a church's numbers are telling. After some hands-on exercises, participants learn how to develop a narrative budget — a powerful tool for building stewardship and increasing contributions. The afternoon includes a discussion of

policies that protect a church: its people, its property, its funds and its future. Participants leave with a notebook of useful materials, and the Cornerstone Fund even provides lunch. Call us today if your conference or association would like to sponsor *Making Friends of Church Numbers*.

Going Green

Looking to improve your church's eco-friendliness? This one- to two-hour workshop reviews the process of enhancing environmental stewardship — from no- and low-cost changes that make a big difference to larger changes that position a church for a green future.

Deconstructing Construction Projects

Beginning a building or renovation project can be a daunting task for many congregations. Everyone has questions. This seminar, perfect for annual gatherings and regional meetings, reviews the

questions a church needs to consider, discusses the financing and construction process, and reviews the information a church needs to compile before completing a loan application.

Budgets that Inspire Giving

Taken from the full-day seminar, this two-hour workshop covers the process of developing a narrative budget, and gives participants a chance to try their hand at creating this powerful document.

Policies That Protect

Also drawn from the full-day seminar, this two-hour workshop reviews the range of policies and procedures that every church should have in place. Participants leave with a booklet of samples.

To discuss scheduling a Cornerstone Fund seminar or workshop, call 888-822-3863, or contact your regional Cornerstone Fund representative.

A choice for IRA investors

Invest 401K rollovers, even SEPP accounts, with Cornerstone

Whether you have established an IRA or SEPP account, or have 401K funds you need to roll over from a former employer, the Cornerstone Fund offers you an unmatched opportunity to earn a competitive rate of return while you support the mission and ministry of UCC churches. Retirement accounts invested through the Cornerstone Fund work just like accounts at your local bank. While we use a trustee bank for the paperwork, you may select the Cornerstone Fund investment you prefer as your investment vehicle.

Here's a quick look at the no-fee accounts we offer —

Individual Retirement Account

The popular Individual Retirement Account permits tax-deductible contributions for people not participating in an employer-sponsored retirement plan, or who meet certain income guidelines. Income and gain earned on invested funds are tax-deferred until funds are withdrawn. To contribute to a traditional IRA, you must be under age 70½ at the end of the tax year. You, and/or your spouse if you file a joint return, must have taxable compensation such as wages, salaries, commissions, tips, bonuses, or net income from self-employment. Investors may contribute up to \$5,000 for 2008, with catch-up contributions of an additional \$1,000 permitted for those aged 50 and over. See IRS Publication 590 for complete details.

Roth IRA

Similar to a traditional IRA, the Roth IRA allows savings to grow tax-free. Taxes are paid on contributions, but withdrawals are not taxed once the account has been held for at least five years. Investment amounts are the same as those for an IRA, so

consider making monthly contributions during the year to achieve the greatest potential tax savings. See IRS Publication 590 for complete details.

SEPP

Simplified Employee Pension Plans (SEPP) permit self-employed people or those with freelance income to contribute the lesser of 25% of their self-employment income or \$46,000. SEPPs function much like IRAs: contributions are tax deductible, and income or gain is not taxable until funds are withdrawn after age 59½. See IRS Publication 560 for complete details.

401-K Rollover

When you leave an employer where you've been investing in a 401K (or a 403B if you've been working in a not-for-profit organization), you may roll that account out of your employer's control and over to an IRA to maintain the account's tax-deferred status. Once the rollover is complete, your account will function just like a standard IRA.

For more details on IRA requirements and restrictions, check out these websites —

- smartmoney.com/retirement
- kiplinger.com/yourretirement
- finance.yahoo.com/retirement
- irs.gov

For a Cornerstone Fund IRA or SEPP application package, call us at 888-822-3863 or visit us online at cornerstonefund.org. But don't delay — applications must be completed and the funds received by the Cornerstone Fund's trustee bank before the April 15 deadline.



New Loan OPTIONS

As the Cornerstone Fund continues to expand, we work hard to find innovative ways to meet the borrowing needs of UCC churches. In 2006, we began offering adjustable rate loans, and last summer, we announced two new options —

Revolving Line of Credit

This loan works just like a homeowner's equity line of credit. A revolving loan of up to \$75,000, secured by your church's real estate, is available for any purpose your church deems appropriate. Use the funds to support cash flow at slow times or to cover unexpected expenses. Or enjoy the security of knowing a line of credit stands ready if an emergency arises. Interest is charged only when the church draws on the line of credit — you pay nothing until you use the line. As you pay down the principal, loan funds are again available, up to the total of your line of credit.

EcoLoan

Many UCC churches have projects in mind to enhance the environmental friendliness of their building and grounds, and an EcoLoan can help your church get those projects moving. With a streamlined application process, this loan offers up to \$75,000, with your choice of interest and payment plans from our existing selection of rate and term options.

For more information about these and other Cornerstone Fund loan offerings, give us a call at 822-822-3863, or email info@cornerstonefund.org.

Investment Rates

	Interest Rate	Annual Yield (APY)
Flexible Demand (Min. Deposit \$100)	1.250%	1.254%

Term Investments

(Min. Deposit \$1,000)

6 months	3.500%	3.531%
12 months	4.000%	4.040%
18 months	4.125%	4.168%
30 months	4.250%	4.295%
60 months	4.375%	4.423%

Rates are current as of September 4, 2008 and are subject to change without notice. Please see our notice at the bottom of page 3.

Loan Rates

	Margin & Index	Rate Caps	Current Rate
Adjustable Rate (No Balloon)			
6 months	2.75% LIBOR	1% / 6%	6.250%
1 year	3.00% US Treasuries	2% / 6%	6.750%
3 years	3.25% US Treasuries	2% / 6%	7.250%
Fixed Rate (Balloon)			
5 years			7.750%
Revolving Line of Credit			
Adjustable			5.875%

All loans are available with payment terms of 5 to 30 years. The interest rate on a Cornerstone Fund loan is set at the time of loan approval and is guaranteed for 60 days. Rates as of September 4, 2008.



Contact us at the
Cornerstone Fund

888 – UCC – FUND
info@cornerstonefund.org

Investing from the heart. Building for the future.™



United Church of Christ
CORNERSTONE
FUND

700 Prospect Avenue
Cleveland, OH 44105

NONPROFIT
U.S. POSTAGE
PAID
KUTZTOWN, PA
PERMIT #12

